

**May 24, 2006**

**56 COUNT INDICTMENT RETURNED IN GREECE  
TOWN ASSESSOR AND KODAK CASE**

**RE: UNITED STATES v. CHARLES SCHWAB  
UNITED STATES v. JOHN NICOLO  
UNITED STATES v. DAVID FINNMAN**

United States Attorney Terrance P. Flynn announced today that **Charles Schwab**, age 58, formerly of Rochester, New York, and now of 205 Locust Fence Road, Saint Helena Island, South Carolina; **John Nicolo**, age 72, of 2293 Friend Road, Penn Yan, New York; and **David Finnman**, age 58, formerly of Rochester, New York, and now of 6334 East Viewmount, Unit 16, Mesa, Arizona; were charged in a 56 count superseding indictment with defrauding Eastman Kodak Company, IBM, Global Crossing, ITT Industries, Inc., and the taxpayers of Greece, New York, in connection with several alleged real property tax appraisal and assessment schemes. This indictment supersedes the 42 count indictment filed against these defendants on December 8, 2005.

Charles Schwab, the former Town Assessor for the Town of Greece, New York, has been charged with four counts of conspiracy to commit mail and wire fraud, in violation of 18 U.S.C. § 371, with each count carrying a maximum sentence of five years in prison and/or \$250,000 fine. John Nicolo has been charged with three counts of conspiracy to commit mail and wire fraud, and David Finnman has been charged with one count of conspiracy to commit mail and wire fraud.

Schwab was also charged with four counts of interfering with commerce in violation of 18 U.S.C. § 1951, with each count carrying a maximum sentence of twenty years in prison and/or \$250,000 fine. Nicolo was charged with two counts of interfering with commerce.

Schwab was further charged with 21 counts of mail and wire fraud, in violation of 18 U.S.C. §§ 1341, 1343 and 1346, with each count carrying a maximum sentence of twenty years in prison and/or \$250,000 fine. Nicolo and Finnman were charged with 17 counts and 2 counts of mail and wire fraud, respectively.

Schwab and Nicolo were further charged with various counts of money laundering, in violation of 18 U.S.C. §§ 1956 and 1957, which carry maximum sentences of ten years in prison, plus various fine ranges. Finnman was charged with three counts of money laundering.

Finally, the indictment includes a forfeiture allegation seeking the forfeiture of money or property derived from the alleged schemes. The forfeiture allegation alleges that approximately \$14 million was involved in the money laundering charges contained in the indictment and also lists specific properties which are alleged to be subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 982(a)(1). In parallel civil forfeiture proceedings, the United States has already seized many of these specific properties, including several bank accounts and various luxury cars, the values of which total over \$10 million. In addition, the United States has seized approximately \$1 million

from Mark Camarata, and as part of his guilty plea in this case, Camarata has agreed to the forfeiture of this \$1 million.

Assistant U.S. Attorney Richard A. Resnick, who is handling the case, stated that the Superseding Indictment alleges various schemes in which Finnman and Mark Camarata, while working at Kodak, would hire Nicolo, a real property appraiser, to perform real property appraisal services for Kodak in connection with many Kodak properties during the years 1997 through 2005. In return for hiring Nicolo, Finnman, and Camarata would receive money representing kickbacks from Nicolo. In addition to the kickbacks received by Finnman and Camarata, the Superseding Indictment alleges that Schwab, while the Greece Town Assessor, also received payments from Nicolo in connection with various property tax assessment matters involving property located in Greece. The amounts alleged to have been kickbacked by Nicolo to Camarata and Schwab total \$4,084,566 and \$1,493,065, respectively. Nicolo paid a much smaller amount to Finnman.

The Superseding Indictment further alleges that Schwab and Camarata also executed a scheme involving real property appraiser Richard Ackerman. Many times when Ackerman was paid by Kodak for property appraisal services, some of which pertained to property located in the Town of Greece, Ackerman would pay Schwab a portion of the fee he received from Kodak. Schwab would then pay a portion of the payment he received from Ackerman to Camarata. The Superseding Indictment also alleges similar schemes involving Schwab, Ackerman and a former employee from Rochester, Gas and Electric, Thomas Hughes.

The Superseding Indictment also alleges that the defendants conducted various illegal financial transactions with the money received from Nicolo. Specifically, to conceal the nature of this money, the money was usually paid to the defendants' companies to make it appear that the payments received were for legitimate services provided to Nicolo.

While the Superseding Indictment set forth several alleged schemes, the largest scheme involves Schwab accepting bribes in return for reducing the real property tax assessment for Kodak property located in Greece. Kodak had property located in Greece known as Kodak Park. On April 26, 2000, Schwab, on behalf of Greece, had executed and signed an agreement with Kodak which set Kodak Park's real property tax assessment at \$12.00 per square foot for the years 2002 through 2005. In early 2002, despite the existence of the 2000 agreement, which locked Kodak Park's real property tax assessment at \$12.00 per square foot until at least the end of 2005, Camarata, Nicolo, and Schwab agreed to reduce the assessment in return for a large amount of money they would obtain from Kodak by fraud. Specifically, Camarata, on behalf of Kodak, hired Nicolo under a performance-fee contract to generate a large fee for Nicolo. This contract provided that Nicolo would only be paid if Kodak Park's real property tax assessment was reduced by Schwab. If Schwab reduced the assessment, then Nicolo would receive from Kodak 25 percent of the total taxes saved by Kodak.

On November 7, 2002, Schwab, as prearranged, released Kodak from the 2000 agreement and executed a new 2002 agreement which reduced Kodak Park's real property tax assessment in increments to eventually \$5.00 per square foot. On or about

February 18, 2004, to generate an even larger fee for Nicolo (and thus more money for Nicolo, Schwab, and Camarata to split), Schwab again reduced Kodak Park's real property tax assessment for 2004 by \$1.00. He did this without a contract between Kodak and the Town of Greece, and despite the existence of the 2002 agreement.

Based on the reductions Schwab made to Kodak Park's real property tax assessment, Nicolo and Camarata calculated the tax savings to Kodak over a fifteen-year period to be \$31,527,168. They also calculated Nicolo's fee from Kodak to be \$7,881,798.00, which was 25 percent of Kodak's projected tax savings. Prior to this scheme being uncovered in April 2005, Kodak had paid Nicolo the amount of \$4,161,220 of the more than \$7 million he would have been paid. From this amount, Nicolo paid Camarata the amount of \$1,553,300 for his role in hiring Nicolo, and Schwab the amount of \$1,052,100 for his role in reducing Kodak Park's real property tax assessment.

The first Indictment and the Superseding Indictment are different in that Counts 4 through 6 in the Superseding Indictment allege an additional scheme executed by Nicolo and Camarata. After assessments had already been reduced on certain Kodak properties in various municipalities, it is alleged that Nicolo and Camarata created backdated performance-based contracts making it appear that Nicolo was entitled to a percentage of the tax assessment savings to Kodak. This scheme is alleged to have generated approximately \$2 million for Nicolo and Camarata. The Superseding Indictment also alleges additional money laundering counts against all three defendants.

**It should be noted that the fact that a defendant has been charged with a crime . . . is merely an accusation and the defendant is presumed innocent until and unless proven guilty.**

The Indictment was the culmination of an joint investigation on the part of the Federal Bureau of Investigation, under the direction of Laurie J. Bennett; the United States Postal Inspection Service, under the direction of Ronald Walker; the Internal Revenue Service-Criminal Investigation Division, under the direction of Special Agent in Charge Anne Marie Coons; and the Greece Police Department, under the direction of Chief Merritt Rahn.

Camarata and Ackerman have pled guilty and admitted to their involvement in the various schemes alleged in the Indictment.

Schwab and Finnman are scheduled to appear in Court for arraignments in front of the Honorable Magistrate Judge Jonathan W. Feldman on June 1, 2006. Nicolo is scheduled to appear in Court in front of District Court Judge David G. Larimer on June 23, 2006, in connection with his motion to obtain new counsel.